

Module 12 Simulation

**Completing a Tax Return
Using Form 1040A to Claim
a Dependent**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22



In this simulation, you will take on the role of Jacob Hastings in order to learn how to claim a dependent on Form 1040A.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22



Module 12 Simulation



You are married to Emily. You have a daughter, Linda, who is 18 years old.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
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Module 12 Simulation



You are an engineer. Emily does not work outside of the home. You, Emily, and Linda are U.S. citizens and live in the United States. Linda is a full-time student in her last year in high school. She lives at home. No one except Linda depends on you and Emily for income or support. No one else can claim you or Emily as dependents.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22



My Profile

Name: Jacob Hastings

Employment: Engineer

Marital status: Married

Spouse's name (if any): Emily, homemaker

Children: Linda, age 18

U.S. citizen: Yes

Other: Linda is a full-time student in her last year in high school. She lives at home. No one except Linda depends on you and Emily for income or support. No one else can claim you or Emily as dependents. Linda earned \$1,000 during the year. Except for \$1,000, you provided all of the support for Linda. You provided all of the costs to maintain the family home.

Module 12 Simulation



Linda earned \$1,000 during the year. Except for \$1,000, you provided all of the support for Linda. You provided all of the costs to maintain the family home. When preparing your return, make choices that result in the lowest tax.

To review your personal information, click ***My Profile*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

Module 12 Simulation



It's the end of the tax year. You receive your Form W-2 from your employer. You earned \$43,211 from your job.


Note: Your employer is required to send your W-2 by January 31!

To review your Form W-2, click **My Form W-2** below.

1 2 3 4 5 6 **7** 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

		a Employee's social security number 222-00-2156		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile .			
b Employer identification number (EIN) 10-5570912				1 Wages, tips, other compensation \$43,211		2 Federal income tax withheld \$2,733					
c Employer's name, address, and ZIP code Center Circle Engineering 3 Center Circle Anytown, US 10010				3 Social security wages \$43,211		4 Social security tax withheld \$2,679.08					
				5 Medicare wages and tips \$43,211		6 Medicare tax withheld \$626.56					
				7 Social security tips		8 Allocated tips					
d Control number				9 Advance EIC payment		10 Dependent care benefits					
e Employee's first name and initial Jacob R.		Last name Hastings		Suff.		11 Nonqualified plans		12a See instructions for box 12			
81 Trail's End Anytown, US 10111						13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b			
						14 Other		12c			
						12d					
f Employee's address and ZIP code											
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement

2007

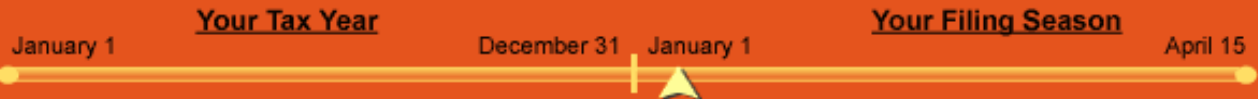
Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. Anytown Credit Union 33 Circle Drive Anytown, US 10011		Payer's RTN (optional)		OMB No. 1545-0112 2007 Form 1099-INT	Interest Income
		1 Interest income \$ 392.00			
		2 Early withdrawal penalty \$			
PAYER'S federal identification number 10-2231567	RECIPIENT'S identification number 222-00-2156	3 Interest on U.S. Savings Bonds and Treas. obligations \$			Copy B For Recipient This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Jacob R. and Emily Hastings Street address (including apt. no.) 81 Trail's End City, state, and ZIP code Anytown, US 10111 Account number (see instructions)		4 Federal income tax withheld \$		5 Investment expenses \$	
		6 Foreign tax paid \$		7 Foreign country or U.S. possession	
		8 Tax-exempt interest \$		9 Specified private activity bond interest \$	
Form 1099-INT		(keep for your records)		Department of the Treasury - Internal Revenue Service	

Module 12 Simulation



You receive Form 1099-INT from the credit union. You earned \$392.00 in interest income from your savings account.

To review your Form 1099-INT, click ***My Form 1099-INT*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT



You have everything you need to file your taxes. You will be using Form 1040A in order to claim Linda as a dependent.

Form 1040A Label (See page 18.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign	Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return (99) 2007		IRS Use Only—Do not write or staple in this space. OMB No. 1545-0074	
	Your first name and initial		Last name	
	If a joint return, spouse's first name and initial		Last name	
	Home address (number and street), if you have a P.O. box, see page 18.		Apt. no.	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.		Your social security number : : : Spouse's social security number : : : You must enter your SSN(s) above.	
Checking a box below will not change your tax or refund. Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ▶ <input type="checkbox"/> You <input type="checkbox"/> Spouse				
Filing status 1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 4 <input type="checkbox"/> Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent,				

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

Module 12 Simulation



Which filing status do you want to use?

- ☒ Married filing joint
- ☐ Married filing separate

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

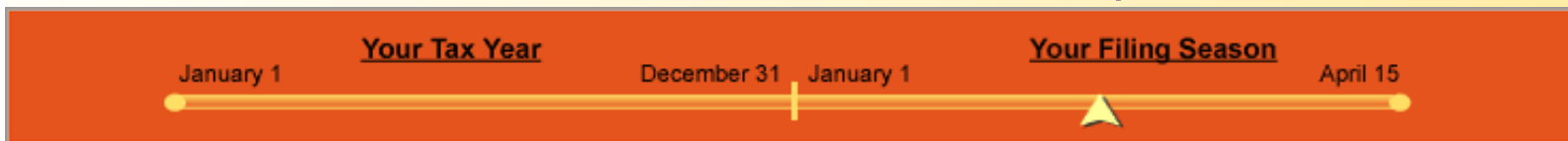
My Profile

My Form W-2

My Form 1099-INT



Module 12 Simulation



That's correct! Your filing status is married filing joint. It provides a lower tax rate than the married filing separate filing status.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
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My Profile **My Form W-2** **My Form 1099-INT**



Module 12 Simulation

**Are the Dependency Tests Met for Linda Hastings?**

- | | | | |
|---|--------------------------------------|--------------------------|---|
| Dependent Taxpayer Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Joint Return Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Citizen or Resident Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Relationship Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Age Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Residency Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Support Test | <input checked="" type="radio"/> yes | <input type="radio"/> no | |
| Special Test for Qualifying Child of More Than One Person | <input type="radio"/> yes | <input type="radio"/> no | <input checked="" type="radio"/> does not apply |

Can you claim Linda as a dependent on your tax return?

- ☒ yes ☐ no

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

Module 12 Simulation

January 1 **Your Tax Year** December 31 January 1 **Your Filing Season** April 15

Use Form W-2 to enter your salary on Form 1040A. Enter your salary exactly as it appears on your W-2.

Enter salary: \$

Form 1040A U.S. Individual Income Tax Return (99) 2007

Department of the Treasury—Internal Revenue Service

IRS Use Only—Do not write or staple in this space.

OMB No. 1545-0074

Label (See page 18.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ☐ You ☐ Spouse

Filing status Check only one box.

1 ☐ Single
 2 ☒ Married filing jointly (even if only one had income)
 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ☐ Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.
 b ☒ Spouse
 c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21)
Linda L.	Hastings	222 00 7755	daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than six dependents, see page 21.

d Total number of exemptions claimed. **3**

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

7 Wages, salaries, tips, etc. Attach Form(s) W-2. **7**

8a Taxable interest. Attach Schedule 1 if required. 8a

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule 1 if required. 9a

b Qualified dividends (see page 25). 9b

10 Capital gain distributions (see page 25). 10

Hint: See Box 1 on your Form W-2.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

Module 12 Simulation



Use your Form W-2 to enter your federal tax withheld. Enter your tax withheld exactly as it appears on your W-2.

Enter federal tax withheld: \$

0,700 paid of household, '850	33	Retirement savings contributions credit. Attach Form 8880.	33	
	34	Add lines 29 through 33. These are your total credits .	34	
	35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.	35	
	36	Advance earned income credit payments from Form(s) W-2, box 9.	36	
	37	Add lines 35 and 36. This is your total tax .	37	
	38	Federal income tax withheld from Forms W-2 and 1099.	38	
	39	2007 estimated tax payments and amount applied from 2006 return.	39	
you have qualifying child, attach schedule IC.	40a	Earned income credit (EIC).	40a	
	b	Nontaxable combat pay election. 40b		
	41	Additional child tax credit. Attach Form 8812.	41	
	42	Add lines 38, 39, 40a, and 41. These are your total payments .	42	
refund	43	If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid .	43	

Hint: See Box 2 on your Form W-2.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

Module 12 Simulation



Use your Form 1099-INT to enter your interest income on your Form 1040A. Enter your interest exactly as it appears on your 1099-INT.

Enter interest income: \$

Form 1040A U.S. Individual Income Tax Return (95) 2007 IRS Use Only—Do not write or staple in this space.

Label (See page 18.) Use the IRS label. Otherwise, please print or type.

Your first name and initial: **Jacob R.** Last name: **Hastings**

If a joint return, spouse's first name and initial: **Emily C.** Last name: **Hastings**

Home address (number and street). If you have a P.O. box, see page 18. **81 Trail's End** Apt. no. _____

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. **Anytown, US 10111**

OMB No. 1545-0074

Your social security number: **222 00 2156**

Spouse's social security number: **222 00 1345**

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 18) ☐ You ☐ Spouse

Filing status Check only one box.

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ☐ Head of household (with qualifying person). (See page 19). If the qualifying person is a child but not your dependent, enter this child's name here. ☐ Qualifying widow(er) with dependent child (see page 20)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 21)
Linda L.	Hastings	222 00 7755	daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than six dependents, see page 21.

Boxes checked on 6a and 6b: **2**

No. of children on 6c who: **1**

- lived with you
- did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above: _____

Add numbers on lines above: **3**

d Total number of exemptions claimed.

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

7 Wages, salaries, tips, etc. Attach Form(s) W-2. **7**

8a Taxable interest. Attach Schedule 1 if required. **8a**

b Tax-exempt interest. Do not include on line 8a. **8b**

9a Ordinary dividends. Attach Schedule 1 if required. **9a**

b Qualified dividends (see page 25). **9b**

10 Capital gain distributions (see page 25). **10**

11a IRA **11a**

11b Taxable amount **11b**

Hint: See Box 1 on your Form 1099-INT.

Module 12 Simulation



Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your return, click ***My Tax Form*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

My Tax Form

1040A**U.S. Individual Income Tax Return**

(99)

2007

IRS Use Only—Do not write or staple in this space.

Label

(See page 18.)

Use the IRS label.

Otherwise, please print or type.

Presidential**Election Campaign**

Your first name and initial

Jacob R.

Last name

Hastings

If a joint return, spouse's first name and initial

Emily C.

Last name

Hastings

Home address (number and street). If you have a P.O. box, see page 18.

81 Trail's End

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18.

Anytown, US 10111

OMB No. 1545-0074

Your social security number**222 00 2156****Spouse's social security number****222 00 1345**

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Filing status

Check only one box.

1 ☐ Single**2** ☒ Married filing jointly (even if only one had income)**3** ☐ Married filing separately. Enter spouse's SSN above and full name here. ►**4** ☐ Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ►**5** ☐ Qualifying widow(er) with dependent child (see page 20)**Exemptions****6a** ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a.**b** ☒ **Spouse****c Dependents:****(1) First name Last name****(2) Dependent's social security number****(3) Dependent's relationship to you****(4)** ☒ If qualifying child for child tax credit (see page 21)**Linda L. Hastings****222 00 7755****daughter****Boxes checked on 6a and 6b** **2****No. of children on 6c who:**• lived with you **1**

• did not live with you due to divorce or separation (see page 22)

Dependents on 6c not entered above**Add numbers on lines above** **3****d Total number of exemptions claimed.****Income****Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.**

If you did not get a W-2, see page 24.

Enclose, but do not attach, any payment.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.**7 43211 00****8a Taxable interest. Attach Schedule 1 if required.****8a 392 00****b Tax-exempt interest. Do not include on line 8a.****8b****9a Ordinary dividends. Attach Schedule 1 if required.****9a****b Qualified dividends (see page 25).****9b****10 Capital gain distributions (see page 25).****10****11a IRA distributions.****11a****11b Taxable amount (see page 25).****11b****12a Pensions and annuities.****12a****12b Taxable amount (see page 26).****12b****13 Unemployment compensation and Alaska Permanent Fund dividends.****13****14a Social security benefits.****14a****14b Taxable amount (see page 28).****14b****15 Add lines 7 through 14b (far right column). This is your total income.****15 43603 00****Adjusted gross income****16 Educator expenses (see page 28).****16****17 IRA deduction (see page 28).****17****18 Student loan interest deduction (see page 31).****18****19 Tuition and fees deduction. Attach Form 8917.****19****20 Add lines 16 through 19. These are your total adjustments.****20****21 Subtract line 20 from line 15. This is your adjusted gross income.****21 43603 00**

Tax, credits, and payments**Standard Deduction for—**

• People who checked any box on line 23a or 23b or who can be claimed as a dependent, see page 32.

• All others:
Single or Married filing separately, \$5,350

Married filing jointly or Qualifying widow(er), \$10,700

Head of household, \$7,850

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit? See page 53 and fill in 44b, 44c, and 44d or Form 8888.

Amount you owe**Third party designee****Sign here**

Joint return? See page 18. Keep a copy for your records.

Paid preparer's use only

22	Enter the amount from line 21 (adjusted gross income).	22	43603	00
23a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind Total boxes checked ▶	23a		
b	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here ▶	23b		
24	Enter your standard deduction (see left margin).	24	10700	00
25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	32903	00
26	If line 22 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 22 is over \$117,300, see the worksheet on page 32.	26	10200	00
27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income .	27	22703	00
28	Tax , including any alternative minimum tax (see page 32).	28	2626	00
29	Credit for child and dependent care expenses. Attach Schedule 2.	29		
30	Credit for the elderly or the disabled. Attach Schedule 3.	30		
31	Education credits. Attach Form 8863.	31		
32	Child tax credit (see page 37). Attach Form 8901 if required.	32		
33	Retirement savings contributions credit. Attach Form 8880.	33		
34	Add lines 29 through 33. These are your total credits .	34		
35	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-.	35	2626	00
36	Advance earned income credit payments from Form(s) W-2, box 9.	36		
37	Add lines 35 and 36. This is your total tax .	37	2626	00
38	Federal income tax withheld from Forms W-2 and 1099.	38	2733	00
39	2007 estimated tax payments and amount applied from 2006 return.	39		
40a	Earned income credit (EIC) .	40a		
b	Nontaxable combat pay election.	40b		
41	Additional child tax credit. Attach Form 8812.	41		
42	Add lines 38, 39, 40a, and 41. These are your total payments .	42	2733	00
43	If line 42 is more than line 37, subtract line 37 from line 42. This is the amount you overpaid .	43	107	00
44a	Amount of line 43 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	44a	107	00
b	Routing number 2 3 4 5 6 5 4 3 2 ▶ c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings			
d	Account number 4 5 4 5 4 5 4 5 4 5 4			
45	Amount of line 43 you want applied to your 2008 estimated tax .	45		
46	Amount you owe . Subtract line 42 from line 37. For details on how to pay, see page 54.	46		
47	Estimated tax penalty (see page 54).	47		

Do you want to allow another person to discuss this return with the IRS (see page 55)? ☐ **Yes**. Complete the following. ☐ **No**

Designee's name Phone no. () Personal identification number (PIN)

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature Date Your occupation Daytime phone number ()

Spouse's signature. If a joint return, **both** must sign. Date Spouse's occupation

Preparer's signature Date Check if self-employed ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code EIN

Phone no. ()



Module 12 Simulation



Based on your completed tax return, enter your total tax for the year exactly as it appears on your 1040A.

Enter total tax:

\$ 2626

Hint: See Line 37 on Form 1040A.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

My Tax Form

Module 12 Simulation



Correct! Your total tax is \$2,626.00. Are you getting a refund or do you owe more tax?

- ☒ Refund
- ☐ Owe more taxes

Hint: See Line 37 on Form 1040A.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

My Tax Form

Module 12 Simulation



Yes! Line 44a on your Form 1040A shows that your refund is \$107. Lines 44b, c, and d indicate that your refund will be directly deposited into your checking account.

Now you are ready to e-file your tax return with the IRS. Click the e-file button below to continue.



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

My Tax Form

Module 12 Simulation



If you were actually filing your taxes using e-file, the last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible. The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return for verification purposes. Depending on the version of the software you are using, you may be asked to provide your date of birth in addition to your adjusted gross income. Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the [IRS Web site](#).

Now click the forward arrow to finish filing Jacob's return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

My Profile

My Form W-2

My Form 1099-INT

My Tax Form

Module 12 Simulation



Congratulations, Jacob! You've successfully filed your return by the tax filing deadline.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22

